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## BEFORE THE ARIZONA CORPORATION COMMISSION

## COMMISSIONERS

Arizona Corporation Commission

DOCKETED

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MIKE GLEASON, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF  
CHAPARRAL CITY WATER COMPANY, INC.  
AN ARIZONA CORPORATION, FOR AN  
EXTENSION OF ITS CERTIFICATE OF  
CONVENIENCE AND NECESITY, AND FOR AN  
ORDER PRELIMINARY PURSUANT TO A.R.S. §  
40-282D.

DOCKET NO. W-02113A-05-0178

DECISION NO. 70608

**ORDER AMENDING**  
**DECISION NO. 68238**

## BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

**FINDINGS OF FACT**

1. On March 10, 2005, Chaparral City Water Company, Inc. ("Chaparral City" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for an extension of its Certificate of Convenience and Necessity ("CC&N"), and for an "order preliminary" pursuant to A.R.S. § 40-282.D, the terms of which would allow Chaparral City to extend its CC&N to include approximately 1,300 acres of state trust land located north of the Town of Fountain Hills and immediately adjacent to Chaparral City's existing CC&N area.

2. On October 25, 2005, the Commission issued Decision No. 68238, granting Chaparral City an Order Preliminary for the requested CC&N extension area. The Commission stated that a Final Order granting the CC&N extension would be issued upon the Company's satisfaction of the following requirements:

- a) Demonstrate to the satisfaction of the Commission's Director of Utilities that the Company is able to meet the water production needs for its system, PWS No. 07-017, for both its current customer base as well as expected demand for the proposed extension area. Sufficient capacity may be demonstrated by filing with Docket Control a list of pending or future water sources, their anticipated production

capacity in gallons per minute, and a time schedule for ADEQ approval of construction and operation;

- b) Update or amend its Designation of Assured Water Supply to include the service area sought by the CC&N extension request. The Company must file with Docket Control under the above-captioned docket number, the amended Designation, stating that there is adequate water supply, where applicable or required by law;
- c) File with Docket Control the projected number of customers to be served at build-out in the extension area;
- d) File with Docket Control the projected cost of utility facilities for the proposed extension area;
- e) File with Docket Control a copy of the amended Maricopa County and/or Town of Fountain Hills franchise agreement in accordance with the application in this proceeding; and
- f) Comply with items 3, 4, 5, 6, 7, and 8 of Staff's recommendations, as more fully described herein in Finding of Fact No. 13 [in Decision No. 68238], within three (3) years of the effective date of the "Order Preliminary" issued in this proceeding. If the Company complies with the designated items within the three-year timeframe, it shall file a Motion in the above-captioned docket, within the three-year period, seeking a "Final Order" for approval of the CC&N extension area. If Chaparral City fails to meet the three-year timeframe, it shall submit a new CC&N extension application in order to serve the area requested by its application in this proceeding and to file proof of such submission in this docket for compliance purposes.

3. On September 19, 2008, Chaparral City filed a Request for Extension of Time to Comply with Order 68238 (Order Preliminary), pursuant to A.R.S. § 40-252. The Company requested that Decision No. 68238 be modified to remove the three-year time limit for compliance or to extend the time limit for an additional three to five years. Chaparral City argued that the planned development had taken longer than anticipated and additional time was needed to comply with the requirements of Decision No. 68238.

4. During a Special Open Meeting held on October 23, 2008, the Commission voted to stay the three-year compliance deadlines established in Decision No. 68238, pending preparation and issuance of an Order amending that Decision. The Commission voted to grant the Company an additional 18 months beyond the original October 25, 2008, deadline, in order to comply with the

requirements of Decision No. 68238.

### **CONCLUSIONS OF LAW**

1. Chaparral City is a public service company within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-281, 40-252, 40-282 and 40-285.

2. The Commission has jurisdiction over Chaparral City, and the subject matter of the application.

3. On October 23, 2008, the Commission voted to stay the three-year compliance deadlines established in Decision No. 68238, pending preparation and issuance of an Order amending that Decision.

4. Pursuant to A.R.S. § 40-252, Decision No. 68238 is amended to allow an additional 18 months for compliance with the Order Preliminary deadlines established therein.

### **ORDER**

IT IS THEREFORE ORDERED that Pursuant to A.R.S. § 40-252, Decision No. 68238 is amended to allow an additional 18 months for compliance with the Order Preliminary deadlines established therein.

IT IS FURTHER ORDERED that prior to issuance of the Certificate of Convenience and Necessity extension, Chaparral City Water Company, Inc., shall be required to comply with items 3, 4, 5, 6, 7, and 8 of Staff's recommendations, as more fully described in Finding of Fact No. 13 of Decision No. 68238, by no later than April 25, 2010. If the Company complies with the designated items by April 25, 2010, it shall file a Motion in the above-captioned docket prior to that date, for extension of its Certificate of Convenience and Necessity.

IT IS FURTHER ORDERED that upon Motion of Chaparral City Water Company, Inc., and verification of satisfaction of the requirements for the issuance of the Certificate of Convenience and Necessity extension, Staff shall prepare and docket an Order that grants the extension of Certificate of Convenience and Necessity, for Commission approval.

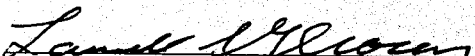
IT IS FURTHER ORDERED that if Chaparral City Water Company, Inc., fails to meet the April 25, 2010, deadline, then the Order Preliminary is deemed null and void and Chaparral City Water Company, Inc. shall submit a new CC&N extension application in order to serve the area

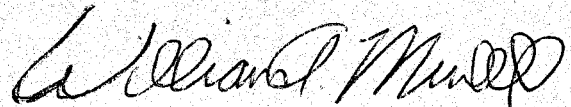
requested by its application in this proceeding and to file proof of such submission in this docket for compliance purposes.

IT IS FURTHER ORDERED that in all other respects, Decision No. 68238 shall remain in full force and effect.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

  
CHAIRMAN

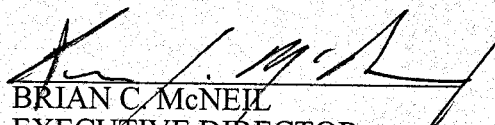
  
COMMISSIONER

  
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COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 12<sup>th</sup> day of Nov., 2008.

  
BRIAN C. McNEIL  
EXECUTIVE DIRECTOR

DISSENT \_\_\_\_\_

DISSENT \_\_\_\_\_

1 SERVICE LIST FOR:

CHAPARREL CITY WATER COMPANY, INC.

2 DOCKET NO.:

W-02113A-05-0178

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